



As our nation's security challenges are becoming more complex, our military is transforming into an increasingly agile joint force that is dominant across the full spectrum of military operations in peace and war. The highly flexible, yet precise, Armed Forces of the 21st Century require an equally flexible and responsive business and financial support infrastructure that is capable of adapting to ever-changing conditions.

Transformation Objectives

Business transformation in the Department of Defense (DoD) is being driven by a series of strategic objectives, each of which illustrates a different aspect of the overall challenge:

- **Support the Joint Warfighting Capability of the DoD** – Joint military requirements are driving the need for greater commonality and integration of business and financial operations. The Department's business infrastructure must rapidly respond to the warfighting community and be compatible with the global, networked military it supports.
- **Enable Rapid Access to Information for Strategic Decisions** – Actionable information will accelerate leaders' ability to make better decisions that impact human resource capabilities; the condition, status, and location of assets; and how funds are invested for the warfighting mission.
- **Reduce the Cost of Defense Business Operations** – Streamlined business operations will enable decision makers to deal with growing pressures on resources and ensure every defense dollar is optimally applied for long-term mission effectiveness.
- **Improve Financial Stewardship to the American People** – Improving the effectiveness and efficiency of business processes will enable the Department to better comply with federal accountability laws and regulations. Integrated processes will allow accounting transactions to be traced to their source, yielding consistent financial transparency.

Aligning Business Operations to Warfighter Needs

To support the Department's process of identifying joint needs, analyzing capability gaps, and implementing improvements, the DoD Business Mission Area (BMA) is aligned to the warfighting mission. This new unifying framework is a capabilities-based approach to enterprise business planning, resourcing, and execution, which consists of five integrated Core Business Missions (CBMs):

- Human Resources Management
- Weapon System Lifecycle Management
- Real Property & Installations Lifecycle Management
- Materiel Supply & Service Management
- Financial Management

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A CLEAR MISSION

Transform business operations to achieve improved warfighter support while enabling financial accountability across the Department of Defense.

"It is not, in the end, about business practices, nor is it the goal to improve figures on the bottom line. It's about the security of the United States of America. And let there be no mistake, it is a matter of life and death. Our job is defending America, and if we cannot change the way we do business then we cannot do our job well, and we must."

*—Secretary of Defense,
Donald H. Rumsfeld
September 10, 2001*

Each CBM is led by the appropriate Under Secretary of Defense (i.e., Principal Staff Assistants, or PSAs) with flag-level, uniformed representation. As CBM “owners,” the PSAs will ensure the alignment of transformation investments to end-to-end operational support improvements. Flag-level, uniformed representation on each CBM support organization leadership team ensures that Service perspectives are considered during all CBM decision making.

A Realistic Plan for Achievable Change

In transforming its business operations, DoD is dealing with many of the same issues that major corporations confront. As it is not economically or organizationally possible to make sweeping changes all at once, successful transformation focuses on a clear set of priorities aligned to the most urgent customer needs. Additionally, change must be driven from the top with a clear accountability of what functions, systems, and standards will be centralized.

The DoD Enterprise and Component partnership has defined a clear understanding of the expansive business and financial systems environment and of where opportunities exist to leverage Information Technology (IT) assets to deliver improved capabilities to the warfighter. System reductions will be a by-product of successful transformation. Guided by a structured approach of focusing on priority capabilities, the transition to a modern defense business infrastructure is fully underway. Significant elements are highlighted below.

A Focus on Priorities

The Department has identified and focused its transformation efforts on six strategic Business Enterprise Priorities (BEPs) that will strengthen support to our Armed Forces and the Components that serve them. The initial set of BEPs, listed below, will yield significant improvements:

- Personnel Visibility
- Materiel Visibility
- Acquisition Visibility
- Real Property Accountability
- Common Supplier Engagement
- Financial Visibility

These six priorities will provide enduring improvements to the Department’s business infrastructure which will benefit the warfighter, while continuously improving financial transparency and auditability. The Components are supporting these BEPs by transforming their business practices and systems based on the DoD Business Enterprise Architecture (BEA) and Enterprise Transition Plan (ETP).

Proper Alignment of Authority and Accountability

Defense business transformation leverages the organizational strengths of the individual Services and Defense Agencies. Through tiered accountability, DoD is quickly building out enterprise-wide functionality which includes data standards, business rules, specific systems, and an associated layer of interfaces for the Components. These standards, which are established through joint cooperation, represent the “rules of engagement” to which all DoD Components must adhere. While the Department is not dictating how to transform, it is ensuring that each Component’s transformational program increases DoD’s ability to reap the benefits of improved information exchange across organizational boundaries.

Architecture as a Tool, Not an End

Transformation is focused on delivering improved business capabilities rather than the management of individual IT systems. This process is being guided by the DoD BEA and associated ETP designed to address the set of well-defined priorities for the DoD enterprise. Within the DoD Business Mission Area, the BEA and Component Enterprise Architectures provide required guidance as part of a federated approach. This federated approach for the BEA is markedly different from earlier attempts to manage a single, centralized architecture spanning the full range of functions and activities of the Department.